

**CITY OF SANTA BARBARA**  
**Activity and Interest Report**  
**December 31, 2009**

**INVESTMENT ACTIVITY**

**PURCHASES OR DEPOSITS**

12/1 Federal Farm Credit Bank (FFCB)	\$ 2,000,000
12/30 Federal National Mortgage Association (FNMA)	2,000,000
12/30 LAIF Deposit - City	4,000,000
12/30 LAIF Deposit - RDA	8,000,000
<b>Total</b>	<b>\$ 16,000,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

12/3 LAIF Withdrawal/City	\$ (2,000,000)
12/3 LAIF Withdrawal/RDA	(1,000,000)
12/17 LAIF Withdrawal/City	(5,000,000)
12/18 LAIF Withdrawal/City	(1,000,000)
12/18 LAIF Withdrawal/RDA	(2,500,000)
12/31 Santa Barbara Airport Promissory Note - Principal Paydown	(86,339)
<b>Total</b>	<b>\$ (11,586,339)</b>

**ACTIVITY TOTAL**

**\$ 4,413,661**

**INTEREST REVENUE**

**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 347,063
Amortization	3,735
SBB&T Sweep Account Interest	222
SBB&T Money Market Interest	1
<b>Total</b>	<b>\$ 351,020</b>

**RDA INVESTMENTS**

Interest Earned on Investments (LAIF)	<b>\$ 11,382</b>
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**TOTAL INTEREST EARNED**

**\$ 362,402**

**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**December 31, 2009**

**ENDING BALANCE AS OF NOVEMBER 30, 2009**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 44,600,000	0.611%	28.04%	1
Certificates of Deposit	4,000,000	1.500%	2.52%	535
Federal Agency Issues - Coupon	92,879,248	3.272%	58.40%	926
Corporate/Medium Term Notes	10,256,556	4.797%	6.45%	246
	151,735,804	2.546%	95.41%	598
SB Airport Promissory Note	7,300,000	7.000%	4.59%	7,151
Totals and Averages	\$ 159,035,804	2.751%	100.00%	898
SBB&T Money Market Account	1,963,016			
<b>Total Cash and Investments</b>	<b>\$ 160,998,820</b>			

**NET CASH AND INVESTMENT ACTIVITY FOR DECEMBER 2009**      **\$ 5,314,877**

**ENDING BALANCE AS OF DECEMBER 31, 2009**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 45,100,000	0.569%	27.59%	1 (1)
Certificates of Deposit	4,000,000	1.500%	2.45%	504
Federal Agency Issues - Coupon	96,882,898	3.258%	59.27%	932
Corporate/Medium Term Notes	10,256,641	4.797%	6.28%	215
	156,239,539	2.538%	95.59%	605
SB Airport Promissory Note	7,213,661	7.000%	4.41%	7,120
Totals and Averages	\$ 163,453,200	2.735%	100.00%	893
SBB&T Money Market Account	2,860,497			
<b>Total Cash and Investments</b>	<b>\$ 166,313,697</b>			

Note:

(1) The average life of the LAIF portfolio as of December 31, 2009 is 222 days.

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**December 31, 2009**

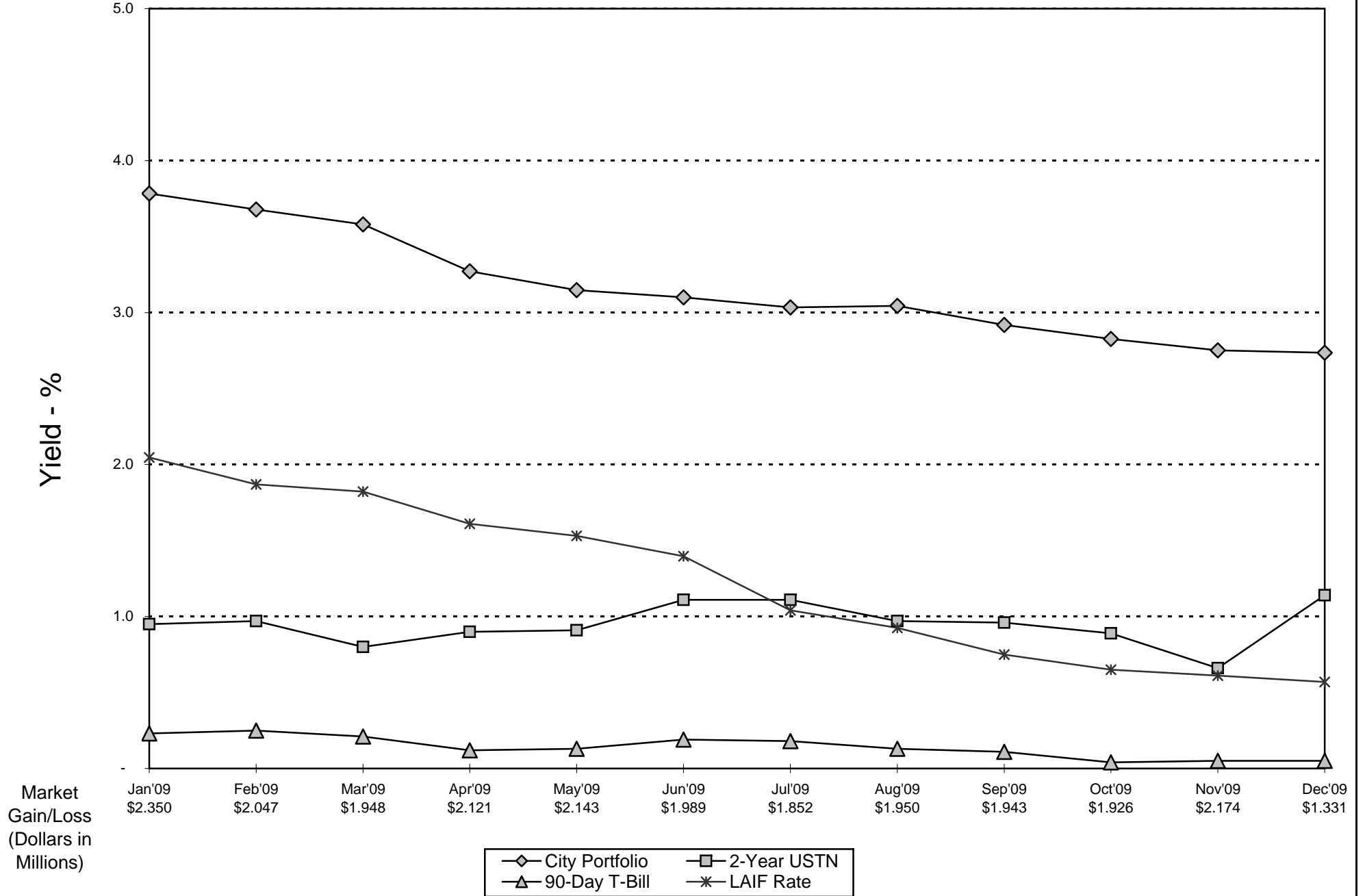
DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY MOODY'S	RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.569	0.569	15,500,000.00	15,500,000.00	15,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.569	0.569	29,600,000.00	29,600,000.00	29,600,000.00	0.00	
Subtotal, LAIF							45,100,000.00	45,100,000.00	45,100,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
MONTECITO BANK & TRUST	11/18/09	11/18/10	-	-	1.250	1.250	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
MONTECITO BANK & TRUST	11/18/09	11/18/11	-	-	1.750	1.750	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							4,000,000.00	4,000,000.00	4,000,000.00	0.00	
<b>FEDERAL AGENCY ISSUES - COUPON</b>											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AAA	2.250	2.120	2,000,000.00	2,005,804.41	2,034,690.00	28,885.59	
FEDERAL FARM CREDIT BANK	10/14/09	10/14/14	Aaa	AAA	2.875	2.875	2,000,000.00	2,000,000.00	1,979,690.00	(20,310.00)	Callable 10/14/10, then cont.
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,013,967.21	2,107,190.00	93,222.79	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,995,745.79	2,054,070.00	58,324.21	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,005,000.00	5,000.00	Callable 2/01/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	03/02/12	Aaa	AAA	2.370	2.370	2,000,000.00	2,000,000.00	2,005,940.00	5,940.00	Callable 3/02/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,027,820.00	27,820.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,037,820.00	37,820.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,010,940.00	10,940.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,026,250.00	26,250.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	1,997,190.00	(2,810.00)	
FEDERAL FARM CREDIT BANK	12/01/09	12/01/14	Aaa	AAA	2.840	2.840	2,000,000.00	2,000,000.00	1,970,310.00	(29,690.00)	Callable 12/01/10, then cont.
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	998,711.63	1,004,060.00	5,348.37	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,006,300.62	2,118,750.00	112,449.38	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,973,565.43	2,074,380.00	100,814.57	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	999,503.81	1,009,220.00	9,716.19	
FEDERAL HOME LOAN BANK	02/26/09	02/24/14	Aaa	AAA	3.250	3.261	2,000,000.00	1,999,851.96	2,009,380.00	9,528.04	Callable 2/24/10, then qtrly
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,790,152.46	1,797,214.50	7,062.04	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,022,190.00	22,190.00	StrNt, Callable 6/30/11, once
FEDERAL HOME LOAN BANK	09/30/09	09/30/14	Aaa	AAA	2.000	3.448	2,000,000.00	2,000,000.00	1,997,820.00	(2,180.00)	StrNt, Callable 12/30/09, qtrly
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AAA	3.125	2.440	2,000,000.00	2,051,071.09	2,055,630.00	4,558.91	
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,346.28	1,032,655.00	32,308.72	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,989,241.51	2,055,940.00	66,698.49	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,869.18	2,051,570.00	51,700.82	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,997,188.78	2,040,000.00	42,811.22	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,998,152.85	2,018,120.00	19,967.15	
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,990,171.28	2,049,380.00	59,208.72	

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**December 31, 2009**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY MOODY'S	RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,147,967.02	2,151,880.00	3,912.98	
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,998,730.56	2,009,440.00	10,709.44	Callable 4/08/11, once
FEDERAL HOME LOAN MTG CORP	05/19/09	11/19/12	Aaa	AAA	2.170	2.170	2,000,000.00	2,000,000.00	2,007,560.00	7,560.00	Callable 5/19/11, once
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AAA	2.125	1.699	2,000,000.00	2,022,491.80	2,022,510.00	18.20	
FEDERAL HOME LOAN MTG CORP	05/13/09	05/13/13	Aaa	AAA	2.400	2.400	2,000,000.00	2,000,000.00	2,012,740.00	12,740.00	Callable 5/13/11, once
FEDERAL HOME LOAN MTG CORP	08/26/09	08/26/14	Aaa	AAA	3.625	3.625	2,000,000.00	2,000,000.00	2,003,340.00	3,340.00	Callable 2/26/10, then qtrly
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,994,623.90	2,040,900.00	46,276.10	
FEDERAL HOME LOAN MTG CORP	07/30/09	01/30/13	Aaa	AAA	2.350	2.350	2,000,000.00	2,000,000.00	2,001,300.00	1,300.00	Callable 7/30/10, once
FEDERAL HOME LOAN MTG CORP	10/28/09	10/28/14	Aaa	AAA	3.000	3.000	2,000,000.00	2,000,000.00	1,981,760.00	(18,240.00)	Callable 10/28/10, then qtrly
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AAA	1.000	2.420	2,000,000.00	1,928,572.06	1,959,120.00	30,547.94	
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,999,087.29	2,004,840.00	5,752.71	
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,985,274.11	2,045,420.00	60,145.89	
FEDERAL HOME LOAN MTG CORP	04/29/09	10/29/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,015,100.00	15,100.00	Callable 10/29/10, once
FEDERAL NATL MORTGAGE ASSN	03/18/09	09/18/12	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,031,880.00	31,880.00	Callable 3/18/11, once
FEDERAL NATL MORTGAGE ASSN	03/23/09	03/23/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,015,940.00	15,940.00	StrNt, Callable 9/23/10, once
FEDERAL NATL MORTGAGE ASSN	05/04/09	05/04/12	Aaa	AAA	2.150	2.185	2,000,000.00	1,999,316.67	2,010,310.00	10,993.33	Callable 5/04/10, once
FEDERAL NATL MORTGAGE ASSN	09/09/09	09/09/14	Aaa	AAA	3.250	3.250	2,000,000.00	2,000,000.00	2,012,810.00	12,810.00	Callable 9/09/10, once
FEDERAL NATL MORTGAGE ASSN	12/30/09	12/30/14	Aaa	AAA	3.000	3.000	2,000,000.00	2,000,000.00	1,981,260.00	(18,740.00)	Callable 6/30/10, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,997,190.19	2,026,260.00	29,069.81	
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,026,250.00	26,250.00	Callable 2/24/11, once
FEDERAL NATL MORTGAGE ASSN	05/20/09	11/20/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,005,310.00	5,310.00	Callable 5/20/10, once
FEDERAL NATL MORTGAGE ASSN	10/29/09	10/29/14	Aaa	AAA	2.250	3.304	2,000,000.00	2,000,000.00	1,994,060.00	(5,940.00)	StrNt, Callable 4/29/10 cont.
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	2,012,810.00	12,810.00	Callable 3/05/10, once
<b>Subtotal, Federal Agencies</b>							96,700,000.00	96,882,897.89	97,966,019.50	1,083,121.61	
<b>CORPORATE/MEDIUM TERM NOTES</b>											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aa2	AAA	4.125	3.630	2,250,000.00	2,250,413.87	2,252,182.50	1,768.63	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,020,832.87	2,113,400.00	92,567.13	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aa1	AA	4.250	5.140	2,000,000.00	1,996,676.64	2,015,140.00	18,463.36	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,992,825.05	2,072,200.00	79,374.95	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA-	4.625	5.000	2,000,000.00	1,995,892.74	2,051,180.00	55,287.26	
<b>Subtotal, Corporate Securities</b>							10,250,000.00	10,256,641.17	10,504,102.50	247,461.33	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	7,213,660.84	7,213,660.84	7,213,660.84	0.00	
<b>Subtotal, SBA Note</b>							7,213,660.84	7,213,660.84	7,213,660.84	0.00	
<b>TOTALS</b>							163,263,660.84	163,453,199.90	164,783,782.84	1,330,582.94	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.

# INVESTMENT YIELDS



**CITY OF SANTA BARBARA**  
**Fiscal Agent Investments**  
**December 31, 2009**

	CASH & CASH EQUIVALENTS	Guaranteed Investment Contracts (GIC)	STOCKS		BONDS		US GOVT & AGENCIES		TOTALS	
	Book & Market	Book & Market	Book	Market	Book	Market	Book	Market	Book	Market
BOND FUNDS										
RESERVE FUNDS										
2004 RDA - Housing Bonds	215.61	-	-	-	-	-	-	-	215.61	215.61
2002 Municipal Improvement - Refunding COPs	13,994.98	547,530.00	-	-	-	-	-	-	561,524.98	561,524.98
2002 Water - Refunding COPs	24,164.10	1,088,268.76	-	-	-	-	-	-	1,112,432.86	1,112,432.86
1994 Water - Revenue Bonds	20,020.19	757,680.00	-	-	-	-	-	-	777,700.19	777,700.19
2002 Waterfront - Reference COPs	2,219.05	1,393,262.50	-	-	-	-	-	-	1,395,481.55	1,395,481.55
1992 Seismic - Safety Bonds	87,465.19	-	-	-	-	-	-	-	87,465.19	87,465.19
Subtotal, Reserve Funds	148,079.12	3,786,741.26	-	-	-	-	-	-	3,934,820.38	3,934,820.38
PROJECT FUNDS										
2001 RDA Bonds	3,468,849.41	-	-	-	-	-	-	-	3,468,849.41	3,468,849.41
2003 RDA Bonds	18,364,981.86	-	-	-	-	-	-	-	18,364,981.86	18,364,981.86
2004 Sewer Revenue Bonds	3,080,881.63	1,357,140.00	-	-	-	-	-	-	4,438,021.63	4,438,021.63
2009 Airport Bonds	44,835,266.86	-	-	-	-	-	3,100,000.00	3,050,338.00	47,935,266.86	47,885,604.86
Subtotal, Project Funds	69,749,979.76	1,357,140.00	-	-	-	-	3,100,000.00	3,050,338.00	74,207,119.76	74,157,457.76
Subtotal Bond Funds	69,898,058.88	5,143,881.26	-	-	-	-	3,100,000.00	3,050,338.00	78,141,940.14	78,092,278.14
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	91,319.89	-	121,895.92	130,848.61	70,680.76	70,478.00	-	-	283,896.57	292,646.50
	91,319.89	-	121,895.92	130,848.61	70,680.76	70,478.00	-	-	283,896.57	292,646.50
TOTAL FISCAL AGENT INVESTMENTS	69,989,378.77	5,143,881.26	121,895.92	130,848.61	70,680.76	70,478.00	3,100,000.00	3,050,338.00	78,425,836.71	78,384,924.64

Notes:

(1) Cash & cash equivalents include money market funds.

(2) Market values have been obtained from the following trustees: US Bank, Bank of New York and Santa Barbara Bank & Trust